

- (2) National Aeronautics and Space Administration;
- (3) National Science Foundation;
- (4) Social Security Administration; and
- (5) Federal Emergency Management Agency.
- (e) Chief Operating Officers of three other executive branch agencies designated by the Chairperson, in his or her discretion;
- (f) Assistant to the President and Cabinet Secretary;
- (g) Deputy Assistant to the President for Management and Administration; and
- (h) Deputy Chief of Staff to the Vice President; and
- (i) Such other officials of the executive departments and agencies as the Director of the Office of Management and Budget or I may, from time to time, designate.

The Deputy Director of the Office of Management and Budget shall serve as Chairperson of the Council. The Chairperson of the Council may appoint a Vice-Chairperson from the Council's membership to assist the Chairperson in conducting affairs of the Council.

The functions of the Council shall include, among others:

- (a) improving overall executive branch management, including implementation of the President's Management Agenda;
- (b) coordinating management-related efforts to improve Government throughout the executive branch and, as necessary, resolving specific inter-agency management issues;
- (c) ensuring the adoption of new management practices in agencies throughout the executive branch; and
- (d) identifying examples of, and providing mechanisms for, interagency exchange of information about best management practices.

The Council shall seek advice and information as appropriate from nonmember Federal agencies, particularly smaller agencies. The Council shall also consider the management reform experience of corporations, nonprofit organizations, State and local governments, Government employees, public

sector unions, and customers of Government services.

Agencies shall cooperate with the Council and provide such assistance, information, and advice to the Council as the Council may request, to the extent permitted by law.

4. *Independent Agencies.*

Independent agencies are requested to comply with this memorandum.

5. *Revocation and Judicial Review.*

- (a) the memorandum of October 1, 1993, entitled "Implementing Management Reform in the Executive Branch" is revoked.

- (b) this memorandum is for the internal management of the executive branch and does not create any right or benefit, substantive or procedural, enforceable by a party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

6. *Publication.*

The Director of the Office of Management and Budget is authorized and directed to publish this memorandum in the *Federal Register*.

George W. Bush

Remarks on Medicare Reform

July 12, 2001

Thank you all very much. Today I'm here to talk about our most important commitment to our seniors, the health of our seniors and how we can modernize and strengthen Medicare.

I'm also here to announce an exciting new plan to provide every senior on Medicare an opportunity to better afford prescription drugs by the beginning of next year.

I want to thank the members of both political parties—of all three political parties—[laughter]—who are here today. It shows us firm commitment to make sure our Nation fulfills a solemn pledge to our seniors and that is that our seniors have the best possible health care available for them. So thank you all for coming. We've got many Members of the House and the Senate, most notably, Senators Breaux and Thomas—I mean, Senators Breaux and Frist and Congressman

Thomas, all three Members who worked hard on Medicare reform in the past and who are joining with the administration to promote Medicare reform this year.

Thirty-six years ago this month—and thank you, as well, Mr. Secretary, for being here—36 years ago this month President Lyndon Johnson flew to Independence, Missouri, to sign Medicare into law and to present the first Medicare registration card to former President Harry Truman. President Johnson spoke that day about what Medicare would mean for our country, and here is what he said: “No longer would older Americans be denied the healing miracle of modern medicine. No longer would illness crush and destroy the savings that they have so carefully put away over a lifetime, so that they may enjoy dignity in their later years.” He went on to say that “no longer will young families see their own incomes and their own hopes eaten away simply because they are carrying out their deep moral obligations to their parents and to their uncles and to their aunts.”

Medicare has lived up to President Johnson’s vision. It has improved the health of America’s seniors, and it’s eased the financial anxieties of retirement, reduced the burden on younger generations, and fulfilled our Nation’s commitment.

Medicare is a binding commitment. The Medicare promise we made in 1965 will never change. And as medicine advances and the needs of our seniors change, Medicare, too, must advance, and it, too, must change. This generation of leaders must honor and renew the promise of Medicare by strengthening Medicare for the future.

In 1965 health care usually meant hospital care. Today, we understand how important it is to prevent people from getting sick in the first place. Yet, Medicare does not fully cover preventative medicine.

In 1965 prescription drugs meant antibiotics. Today, illnesses that could once only be treated by invasive surgery are treated instead with effective new drugs. But these new drugs can be very expensive, and under the current system, Medicare doesn’t pay for them.

In 1965 medicine could offer people diagnosed with cancer and other dangerous diseases little hope. Today, we can defeat many

once incurable diseases but too often at a costly price that Medicare will not pay in full.

In 1965 the pace of medical progress was relatively slow. Today, hardly a day goes by without news of an exciting advance to extend life or improve health. Yet, Medicare takes way too long to authorize new treatments.

We must act now to ensure that the next generation of medical technology is readily available to America’s seniors, from medicines tailored exactly to an individual’s disease to Internet diagnosis that will allow patients to be treated by experts on the other side of their continent without the patients having to leave their living rooms.

In 1965 Medicare’s finances were based on assumptions that quickly proved wrong. This has had enduring consequences. Medicare has too many limits on coverage. Seniors enrolled in Medicare are responsible for a nearly \$800 deductible every time they visit a hospital. And they find themselves responsible for paying thousands more if they are seriously ill.

Medicare’s funding structure doesn’t make sense—two different parts, one of which appears to have a surplus, even though the other has a much bigger shortfall. And Medicare’s costs are rising too fast, which creates anxieties about the program’s stability.

It may be that cars don’t get any better than the 1965 Mustang. But even the ’65 Mustang didn’t have power windows or anti-lock brakes. When it comes to cars and when it comes to health care, 1965 is not the state of the art. We need to bring Medicare into the 21st century, to expand its coverage, improve its services, strengthen its financing, and give seniors more control over the health care they receive.

Medicare’s most pressing challenge is the lack of coverage for prescription drugs. Several people here with us this morning know from personal experience what that means. Frank Van der Linden was a newspaper reporter, and a good one; now he’s being squeezed behind Medicare premiums and drug costs. Or Bobby Cherry, he’s a senior coordinator at the Florida Avenue Baptist Church, right here in Washington; he pays close to 40 percent of his income for prescription drugs and Medicare copayments; or

Gwendolyn Black, who spends \$2,400 a year to put four healing drops a day into each of her eyes.

Today I announce the first step toward helping American seniors get the prescription drugs they need and deserve, a new national drug discount program for seniors that will begin early next year. Every senior on Medicare can receive a new drug discount card. It won't cost much, at most a dollar or two a month, and will work like the cards you already have for, say, your groceries. Present the card at a participating pharmacy, and you receive a substantial discount. It's as simple as that, and it's convenient.

The new drug discount plan combines the purchasing clout of millions of seniors to negotiate lower prices than under the current system. And under my plan, participating pharmacies will get new customers, and seniors will get high-quality drugs at a lower price.

It's a plan similar to the plan that brings discounts to many Americans who have private insurance. And the leaders of the companies that have been so successful in providing drug discounts in private plans are here with us today and will brief the press on the savings about our strategy.

The drug discount plan is the first necessary step to provide immediate help to seniors without destabilizing Medicare's finances. It is the first step, but it is not a substitute for a drug benefit and for strengthening Medicare. And that's why my administration has developed, with a bipartisan group of legislators, a framework for strengthening and expanding Medicare for the long term. This framework will guide us as Congress takes up Medicare in the coming months, and here are its main elements:

First, seniors already enrolled in Medicare and those near retirement must have the option of keeping their Medicare exactly the way it is today. No senior will see any change that he or she does not want or does not seek. If you like things the way they are, that's just the way they'll stay.

Second, all seniors today and tomorrow will be offered a range of new Medicare plans, including an improved and updated Government plan, as well as others offered by nongovernment insurance plans. All the

Medicare plans must offer benefits at least as comprehensive as the Government plan. All will be regulated by the Federal Government, and all of them must offer prescription drug coverage.

Third, everyone enrolled in Medicare will have the power to choose—power to choose—which plan works best for him or her. The plans will compete with each other, forcing them to offer better service, extra benefits, and lower premiums. All seniors in America should enjoy the same freedoms that Federal employees have today when it comes to choosing their health care plans. We must trust seniors to make the right decisions for themselves.

Fourth, Medicare must become more responsive to seniors, especially to seniors on low incomes and with unusually high medical costs. Sometimes people discover Medicare's gaps when they need Medicare most. Under the current system, the sickest Americans pay a higher percentage of their bill than others do. And that's not right, and under our approach, that will stop. We'll put a stop-loss limit on the amount any senior can be asked to pay in any year.

Too many seniors feel compelled to purchase costly Medigap policies to cover what Medicare does not. Take, for example, Mr. Cuyler Taylor, who's with us today. The Taylors spend more than \$10,000 a year on drugs and Medigap insurance. Our framework will not only cover drugs, but it will reduce the need for costly, extra insurance. The gaps in Medicare bear especially hard on low income people, and extra help will be available to them, as well.

And finally, we must put Medicare on a sustainable financial footing for future generations.

The two parts of Medicare must be combined into one. When popular alternative plans are established, the Government's contribution to any one Medicare plan should eventually be tied to the average cost of all Medicare plans, preventing any one plan from driving up the cost that all Americans must pay.

So these are the main principles for strengthening and improving Medicare. Nobody on Medicare will see any change in Medicare unless he or she wants it. There

will be new Medicare choices, and all of these new choices will offer prescription drugs. Medicare plans will compete by offering better service and lower premiums. Medicare will respond better to the needs of seniors and, especially, low income seniors and seniors with high medical bills. And Medicare will be put on sound financial footing.

These are principles which will strengthen one of our Nation's most sacred obligations, the health of our senior citizens. We'll protect seniors now, offering exciting new services and more choices to seniors in the future, and guarantee prescription drug coverage. And we will do it without overtaking our children and our grandchildren.

Medicine is constantly improving. Medicare must keep pace. That's my administration's commitment today and its exciting new vision for health care in America.

Thank you all for coming.

NOTE: The President spoke at 9:51 a.m. in the Rose Garden at the White House.

Proclamation 7455—Captive Nations Week, 2001

July 12, 2001

*By the President of the United States
of America*

A Proclamation

The 21st century must become the "Century of Democracy." Democracy and freedom have taken root across the globe, and the United States will continue to stand for greater consolidation of pluralism and religious freedom, wider access to information, and respect for human rights and for the rule of law. Our Nation and many of our allies share this vision for the world. In the words of President Ronald Reagan, "For the sake of peace and justice, let us move toward a world in which all people are at last free to determine their own destiny."

During the 20th century, dictators, monarchs, and colonialism gave way to democracy through ballot boxes, pressure from citizens, and negotiated settlements to conflicts. However, freedom and liberty remained out of reach for many. In 1959, the Congress out-

mulgated a Joint Resolution authorizing and requesting the President to declare the third week of July as Captive Nations Week and to continue this annual statement "until such time as freedom and independence shall have been achieved for all the captive nations of the world."

Worldwide, many nations have successfully made transitions to democracy since President Eisenhower signed the Captive Nations Resolution. These democracies, whether nascent or consolidated, are found in areas that the great General and 34th President could have barely imagined would find freedom before the 20th century closed.

In spite of the proliferation of democracies over the past century, many people across the globe are held captive by their governments. More than a decade after the Berlin Wall fell, more than 2 billion people still live under authoritarian regimes. America must remain vigilant in our support of those living under authoritarianism. There remain people in Asia, the Americas, Europe, the Middle East, Africa, and Central Asia who do not enjoy the right to choose their own governments and to hold those governments accountable.

Americans and the 3 billion others across the globe living in democracies desire the same freedoms for the remaining 42 percent of the world's population who live without them. But as long as governments like those in Afghanistan, Burma, Cuba, Iraq, and Sudan exist, freedom is not accessible to all. Greater access to robust marketplaces of ideas, as well as freedom of worship and expression, will empower those living in closed societies. Strong and transparent judicial systems and respect for human rights and the rule of law also serve as necessary foundations for democracy.

To promote the development of democratic practices worldwide, I reaffirm America's support for freedom, justice, and pluralism. I have asked my Administration to examine our programs to support democracy and human rights movements closely and to ensure that these programs advance American policy. In addition, I want to make certain that our annual State Department